

## Message Text

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14-11

ORIGIN IO-10

INFO OCT-01 ISO-00 USPS-01 L-03 TRSE-00 OMB-01 ABF-01 EB-07

/024 R

DRAFTED BY IO/UN/BAPS:CPJUNK:MFW

APPROVED BY IO - RDMOREY

IO/EX - SCUMMINS

IO/TRC - CGRIP

USPS - ESTOCK

IO/SEC - RVHENNES

L/UNA - MMATHESON

----- 035608

R 242353Z JUN 75

FM SECSTATE WASHDC

TO USMISSION GENEVA

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E.O. 11652: N/A

TAGS: AORG, AFIN, UPU

SUBJECT: UPU REQUESTS INCOME TAX AGREEMENT WITH USG

REF: GENEVA 2690

1. WE REGRET DELAY IN REPLYING TO REFTEL, WHICH WAS DUE TO ATTEMPTS TO OBTAIN NECESSARY BACKGROUND INFORMATION LOCALLY.

2. WE CAN NEGOTIATE TAX REIMBURSEMENT AGREEMENT WITH UPU EFFECTIVE JULY 1, 1975, BEGINNING OF FISCAL YEAR, AT WHICH TIME U.S. FUNDING OF UPU WILL BE INCLUDED IN STATE DEPARTMENT APPROPRIATION. UNTIL JULY 1, UPU IS FUNDED THROUGH THE U.S. POSTAL SERVICE. WHILE THE POSTAL SERVICE COULD NEGOTIATE SUCH AN AGREEMENT, FOR VARIOUS REASONS, INCLUDING THE POSSIBILITY OF JEOPARDIZING PREVIOUS SUCH AGREEMENTS WITH OTHER INTERNATIONAL ORGANIZATIONS, WE WOULD PREFER IT  
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NOT DO SO. HOWEVER, WE DO NOT SEE WHY UPU SHOULD NOT FUND THIS ITEM AS OTHER ORGANIZATIONS HAVE DONE IN THE PAST SINCE IT COVERS ONLY ONE PERSON, AND IS A SMALL AMOUNT.

3. WE UNDERSTAND THE REASON FOR UPU'S REFUSAL TO FUND  
MCCLURE'S TAX IS BECAUSE IT HAS NEVER DONE THIS IN THE

PAST. CORRECT US IF THIS IS WRONG. THE UPU APPARENTLY  
HAS NEVER HAD THIS COME UP BEFORE, BECAUSE PREVIOUS  
AMERICANS IN ITS EMPLOY QUALIFIED FOR EXEMPTION FROM U.S.  
INCOME TAX, DUE TO THEIR PERIOD OF RESIDENCY ABROAD, LOW  
SALARY, NUMBER OF DEPENDENTS, ETC. YOU SHOULD POINT OUT  
TO UPU THAT SUCH REFUNDING IS PART OF THE UN COMMON SYSTEM,  
IN ORDER TO EQUALIZE SALARY PAYMENTS BETWEEN EMPLOYEES  
WHO ARE TAXED BY THEIR OWN COUNTRIES, AND THOSE WHO ARE  
NOT. THE UN SALARY SYSTEM OF GROSS AND NET SALARIES  
WAS DEVELOPED BECAUSE OF THIS -- THE DIFFERENCE BETWEEN  
THE TWO RATES BEING A STAFF ASSESSMENT, COMPARABLE TO  
NATIONAL INCOME TAX, LEVIED ON ALL EMPLOYEES TO ENSURE  
THAT UN EMPLOYEES DO NOT CONSTITUTE A TAX-PRIVILEGED  
GROUP OF CITIZENS. COUNTRIES WHO IN WHOLE OR IN PART  
HAVE NOT ACCEDED TO THE TAX PORTION OF THE CONVENTION ON  
PRIVILEGES AND IMMUNITIES, TAX THEIR CITIZENS IN INTER-  
NATIONAL ORGANIZATIONS, WHICH RESULTS IN DOUBLE TAXATION.  
YOU MIGHT REFER UPU TO ITU OR ILO FOR CONFIRMATION OF  
THIS, AS WELL AS THE WORKINGS OF THE ACTUAL REIMBURSEMENT.

4. WHILE STILL BELIEVING UPU SHOULD FUND THIS, WE ARE  
WILLING TO AGREE THAT IF UPU WILL PICK UP THE CURRENT  
TAB FOR MCCLURE, WE WILL NEGOTIATE AN AGREEMENT TO COVER  
FUTURE REIMBURSEMENTS. MR. MCCLURE SHOULD NOT BE THE  
ONLY PERSON IN THE UN SYSTEM WHO IS NOT REIMBURSED FOR  
HIS TAXES. KISSINGER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 26 AUG 1999  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 24 JUN 1975  
**Decaption Date:** 01 JAN 1960  
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**Disposition Approved on Date:**  
**Disposition Authority:** ElyME  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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